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FISCAL IMPACT REPORT



SPONSOR: Marquardt DATE TYPED: 01/31/02 HB 52

SHORT TITLE: Public School Construction Projects SB _____

ANALYST: Woodlee

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		(\$10.1)	See Narrative	Recurring	OSF

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Labor Department

SUMMARY

Synopsis of Bill

House Bill 52 amends current statute to no longer require public school district construction to pay the prevailing wage rates on public constructions projects.

Significant Issues

The Labor and Industrial Division of the Labor Department is responsible for setting wage rates for various classes of laborers for public construction projects. The agency indicates that in terms of total dollar revenue, construction and renovation projects for school districts represented approximately 17 percent of all state public work projects in fiscal year 2001. In addition, of 1209 public works projects, there were 319 contracted by public schools. There may be a slight decline in apprenticeship revenue, which is based on total dollar value of contract and varies from contract to contract. However, a significant decline is unlikely. The agency indicates that for over \$1 billion worth of public works construction, only \$164.0 was collected for apprenticeship programs. Currently, the agency budgets \$135.0 of the apprenticeship revenue.

FISCAL IMPLICATIONS

There is no appropriation or significant fiscal implication associated with this bill. There is a possible slight decline in apprenticeship revenue; however, the agency indicates there is a minimal amount of revenue generate when compared to the total dollar value of projects.

MW/ar/njw